

FISCAL NOTE
SB 2838 - HB 2967

March 20, 2006

SUMMARY OF BILL: Requires, rather than authorizes, LEAs and professional employees' organizations to include procedures for dispute resolution by final and binding arbitration in negotiated agreements.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Exceeds \$1,000,000*

Assumptions:

- Local government expenditures are estimated to increase as a result of the required use of arbitration. It is assumed that an outside arbitrator would be called in to settle a dispute when negotiations have ceased to accomplish a resolution.
- Only LEAs that engage in collective bargaining could be fiscally affected by this bill. It is not known how many local boards that negotiate actually already have this provision in their negotiated contracts.
- The increase in expenditures will also depend on the number of disputes in which outside arbitrators would be used to settle disputes arising out of interpretation, application or violation of agreements entered into by boards of education and professional employees' organizations. Such increase cannot be reasonably determined but is estimated to exceed \$1,000,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director